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10/072,471	02/07/2002	Charles Eric Hunter	**OO-0071	3041
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/072,471	HUNTER ET AL.	
	Examiner	Art Unit	
	ANNAN Q. SHANG	2424	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 06 November 2008.
 2a) This action is **FINAL**. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-9, 11-14 and 18-41 is/are pending in the application.
 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 1-9, 11-14 and 18-41 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____ .
3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)	5) <input type="checkbox"/> Notice of Informal Patent Application
Paper No(s)/Mail Date <u>11/06/08</u> .	6) <input type="checkbox"/> Other: _____ .

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 11/06/08 has been entered.

Response to Arguments

2. Applicant's arguments with respect to claims 1-9, 11-14 and 18-41 have been considered but are moot in view of the new ground(s) of rejection. The amendment to the claims necessitated the new ground(s) of rejection discussed below.

This office action is non final.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

4. Claims 18-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Dimitri et al (6,574,424)**.

As to claim 18, note the **Dimitri** reference figures 1-5, discloses method and apparatus for a randomizer for DVD video and further discloses a player device configured to generate audio visual signals representative of entertainment with advertisements, the device comprising:

A Reader mechanism having a single optical pickup and configured to read entertainment content prerecorded on a first medium and to read advertisements pre-recorded on a second medium, where the first partition (figs.1-5, col.3, lines 43-col.4, line 17); and a processor configured to generate command signals inserting advertisements read by the reader mechanism from the second medium into entertainment content read by the reader mechanism from the first medium (col.4, line 27-col.5, line 41 and line 51-col.6, line 67).

Dimitri is silent as to where the first medium is physically distinct from the second medium.

However, **Dimitri** further illustrate various DVD implementation, e.g. dual-sided, dual layer construction with a DVD drive laser reader, single-layer DVD, etc. and further disclose partitioning DVD into various sectors with sector headers to identify each sector or to make the sectors physically distinct from each other, trigger bit for each sector and stores specific data accordingly in each respective sector (figs.1-5 and col.3, line 43-col.4, line 65).

Hence it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Dimitri to provide multiple storage mediums

physically distinct from each other, associated a header to identify each storage, etc., to store a data type on each storage medium as desired, for efficient data retrieval.

As to claim 19, Dimitri further discloses where the player device comprises a reader mechanism includes a single optical pickup and where the first and second media are mechanically, sequentially moved for reading (col.3, lines 43-col.4, line 17 and line 27-col.5, line 41).

As to claim 20, Dimitri further discloses where the player device further comprises a memory device configured to store read data to permit seamless, uninterrupted insertion of advertisements into entertainment content (col.4, lines 4-36 and col.5, line 16-col.6, line 1+).

5. Claim 21 is rejected under 35 U.S.C. 103(a) as being unpatentable over **Dimitri et al (6,574,424)** as applied to claim 18 above, and in view of **Lowthert et al (2002/0100043)**.

As to claim 21, The modification of Dimitri is silent as to where the player device includes an input for displaying signals from a broadcast content source and inserting advertisements prerecorded on the second medium into the broadcast content.

However, Lowthert discloses a player device with an input (PD-14) for displaying signals from a broadcast content source and inserting advertisements prerecorded on the second medium into the broadcast content (page, [0019] and [0043-0049]).

Hence it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Lowthert into the system of Dimitri to enable the player device to receive signals from other input source(s).

6. Claims 1, 5-9, 11, 22-27, 30, 31, 34, 35 and 38 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lowthert et al (2002/0100043)** in view of **Getsin et al (7,269,634)** and further in view of **Sartain et al (5,914,712)**.

As to claim 1, note the **Lowthert** reference figures 1-5, discloses content with advertisement information segment and further discloses a method of providing a consumer with entertainment content coupled with updated advertisements for display on a player device capable of displaying content from multiple storage media and which is configured such that, when a customer inserts an entertainment content medium and an advertisement medium into the player device at the customer's location, the player device displays selected entertainment content and displays selected advertisements at insertion points located within the entertainment content, comprising:

Distributing entertainment content pre-recorded on entertainment content storage media to the customer locations, the entertainment content media including insertion points for advertisements; and distributing advertisements pre-recorded on advertisement storage media to the customer locations, where at least some of the advertisements are updated before being distributed (R-10, page 1, [0024-0030] and [0048-0049]); note that the player device (10) includes multiple physical inputs ([0024], the links to R-10 includes CD-ROM, DVD, DVD-R/RW, hard drive, removable hard

Art Unit: 2424

drive, etc., which are physically insert at the customer location) and as illustrated from Lowthert **sneakernet** distribution system, R-10, includes multiple insertion slots and is configured such that, when a customer inserts an entertainment content medium and an advertisement medium into the player device at the customer's location, the player device displays selected entertainment pre-recorded on the advertisement medium, where the advertisements are displayed at the insertion points (page 2, [0032-0033], [0038], [0043] and [0047]);

Lowthert updates some ads and other content and distributes ads and other content upon request, using sneakernet via convention mail (physically carried) to various locations (figs.1+ and page 1, [0024], note that the system does not distribute the same ads or same content to the clients). Although one skill in the art knows that these distribution methods, e.g., conventional mail, etc., is usually done periodically (monthly), Lowthert is silent as to updating at least some of the ads with respect to previously distributed ads.

However, in the same field of endeavor, **Getsin** discloses system, method for remote control and navigation of local content where and further discloses updating some of the local content accordingly (abstract, figs.1-3, 20-27, col.4, lines 3-21, col.12, line 1-col.13, line 1+ and col.29, line 52-col.30, line 1+).

Hence it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Getsin into the system of Lowthert to enable the server or provider control stored local content and provide updates to the local content accordingly.

Lowthert as modified by Getsin, are silent as to periodic distribution to the various clients.

However, in the same field of endeavor **Sartain** reference figures 1-7, discloses an interactive video system which periodically (once a day, once a week, etc.,) distributes ads and other content via overnight mail to remote sites (col.1, line 56-col.2, line 13, col.5, lines 23-43, col.8, line 29-46, col.9, line 60-col.10, line 26 and line 53-col.11, line 1+).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Sartain into the system of Lowthert as modified by Getsin to periodically distribute pre-recorded content to remote areas to enable users to update the outdated ads or other content with new ones.

As to claim 5, Lowthert further disclose where each of the ads media includes ads an index of entertainment content (page 2, [0032-0036] and [0039-0040]).

As to claims 6-7, Lowthert further disclose where the advertisements include current movie previews and where the player devices are further configured to display the movie previews before displaying the selected entertainment content displays selected (page 3, [0036] and [0047-0049]).

As to claims 8-9, Lowthert further where the advertisements include commercial advertisements other than movie previews, where the player devices are configured to display the commercial advertisements other than movie previews before displaying the selected entertainment content (page. 3, [0036] and [0047-0049]).

As to claim 11, Lowthert further teaches generating customer preferences by analysis of customer characteristics and where the player devices are further configured to select a subset of the advertisements contained in the advertisement medium based upon customer preference (page 2, [0035-0036] and [0043-0048]).

As to claim 22, the claimed “A method of providing consumers with entertainment content coupled with updated advertisements...” is composed of the same structural elements that were discussed with respect to the rejection of claim 1.

Claim 23 is met as previously discussed with respect to claim 5.

As to claim 24, Lowthert further discloses distributing the items to the customers free of charge (page 1, [0019-0024]).

As to claim 25, Lowthert further discloses where distributing items to customers is at a charge to customers not exceeding production and shipping costs (page 2, [0034-0036] and [0047-0049]).

As to claims 26-27, Lowthert further discloses where the customers are provided with the entertainment content and updated advertisements without the necessity of the customers having cable TV or direct broadcast satellite service and inputting display signals from a broadcast source into the player device and inserting advertisements pre-recorded on the second medium into the broadcast content (page 1, [0020-0025], [0032-0036] and [0042-0047]).

Claims 30-31 are met as previously discussed with respect to claim 1.

As to claim 34, Lowthert further discloses charging customers for playing entertainment content on a one time fee-to-own basis (page 3, [0063]).

As to claim 35, Lowthert further discloses where communicating information that is representative of the playing of entertainment content and advertisements between the customer and system operator (page 2, [0032-0036] and [0042-0047]).

Claim 38 is met as previously discussed with respect to claims 12-13.

As to claims 39-41, Lowthert further discloses protecting data by encrypting the data and permit display of the content only under predetermined circumstances and where the circumstances includes a specific ad medium being inserted into the player device ([0041-0042], "...ad...may be ordered, structured, formatted, protected, encrypted....according to the needs of application), but silent as to verifying that the specific ad medium has been inserted into the player device by: including a pre-determined first number on each of the periodically distributed ad media; providing a second number to a player device at a customer location, where the player device is configured to read the first number on the ad media and execute a pre-determined algorithm on the first number and the second number, resulting in a third number; determining an expected number by executing the pre-determined algorithm on the first number included with the specific ad medium and the second number; receiving the third number from the player device and verifying that the received third number matches the expected number as claimed.

However, **Getsin** further discloses protecting stored content on DVD medium: by encrypting the content and control content viewing by clients using disc ID and BCA number and other verification processes to permit viewing, updating and performing

various modification to information stored on the DVD medium (col.30, line 19-col.31, line 35, line 65-col.32, line 1+, line 34-col.34, line 1+).

Hence it would have it would have been obvious to one of ordinary skill in the art to incorporate the teaching of Getsin into the system of Lowthert to protect content stored on a storage medium and to allow a vendor to remotely control the access of a user to content or certain portions of the locally stored content as desired.

7. Claims 12-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lowthert et al (2002/0100043)** in view of **Getsin (7,269,634)** and further in view of **Sartain et al (5,914,712)** as discussed above with respect to claim 1, and further in view of **Sandstrom (6,238,763)**.

As to claims 12-13 the prior arts of record do not teach where the first medium comprises a disc having a diameter greater than about 125mm and less than 300mm and where the first medium comprises a disc having data recorded on a reflective layer and an optically transmissive coating having a total transmission of 635nm of less than the minimum transmission set forth as the standard DVD specification (page 2, [0021-0025] and ([0048-0049]).

However, an analogous field endeavor, **Sandstrom** discloses in figures 1-2, rewritable optical data storage disk having enhanced flatness and discloses a disc having a diameter greater than about 120mm and less than 135mm and various substrate thickness and wavelength (col.1, lines 24-44, col.2, lines 24-46, col.3, line 66-col.4, line 31, col.8, line 32-col.9, line 30). Furthermore, it has been held that where the

general conditions of are disclosed in the prior art, except for size, it would have been obvious matter of design choice, since such modification would have involved a mere change in the size of a component, and change in size is generally recognized as being within the level of ordinary skill in the art. *In re Rose*, 105 USPQ 237 (CCPA 1995). Additionally, it has been held that where the general conditions of a claim are disclosed in the prior art, except for an optimum value, it would have been obvious to one having ordinary skill in the art at the time of the invention to reach such an optimum value, since it has been held that discovering an optimum value of a result effective variable involves only routine skill in the art. *In re Boesch*, 617 F.2d 272, 205 USPQ 215 (CCPA 1980).

Therefore it would have been obvious at the time of the invention to modify Lowthert, Getsin and Sandstrom to construct a disk with additional coating material to enhance recording and provide a desire diameter to meet specification of specific devices.

8. Claims 2-4, 14, 36 and 37 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lowthert et al (2002/0100043)** in view of **Getsin et al (7,269,634)** and further in view of **Sartain et al (5,914,712)** as applied to claim 1 above, and further in view of **Shear et al (2001/0042043)**.

As to claims 2-3, Lowthert as modified by Getsin and Sartain, fail to explicitly teach disclose storage medias with hardware security feature where display is possible if the hardware is compatible with the hardware security feature.

However, note the **Shear** reference figures 1-3 and 12-14, discloses storage media electronic rights management in closed and connected appliances which employs hardware security feature and software to permit access to stored or recorded content on stored media (page 6, [0071-0072], [0162-0163], [0212-0213], [0280] and [0319+].

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Shear into the system of Lowthert as modified by Getsin and Sartain to protect content on portable storage media and manage rights to information stored on the portable storage media

Claim 4 is met as previously discussed with respect to claim 1.

As to claim 14, Lowthert as modified by Sartain, fail to explicitly teach where the player devices are configured to permit downloading content from the player device to a second portable player device.

However, **Shear** further discloses a method and system that permits player devices to download content from other portable player device ([0054-0055], [0061-0068], [0162-0163], [0212-0213], [0280] and [0319+]).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Shear into the system of Lowthert as modified by Sartain to allow other users with portable storage media to share stored content on a master device after meeting certain conditions.

As to claim 36, Lowthert as modified by Sartain teaches all the claim limitation as previously discussed with respect to claim 22 above, but fail to teach "...downloading content..." however, this is met as previously discussed with respect to claim 14.

As to claim 37, Lowthert further teach where the player device includes a projector ([0049])

9. Claims 28-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lowthert et al (2002/0100043)** in view of **Getsin et al (7,269,634)** and further in view of **Sartain et al (5,914,712)** as applied to claim 22 above, and further in view of **Ginter et al (2004/0054630)**.

As to claims 28-29, Even though, one skill in the art knows that most conventional mail distribution method is usually done periodically (monthly), Lowthert sneakernet system is silent as to periodic distribution even though is clear from the disclosure that different or new ads and new content "updates" are distributed in some order to the clients. Lowthert as modified by Getsin and Sartain, teach periodic distribution of content and targeting content to customer, base on preferences, but silent as to shipping entertainment content.

However, **Ginter** disclose periodic shipping entertainment content on a periodic basis and further teaches targeting content to customer, based on preferences ([0201-0203], [1049] and [1178-1182]).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Ginter into the system of Lowthert as

modified by Getsin and Sartain to physically delivery up to date target content to customers irrespective of their location(s)

10. Claims 32-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lowthert et al (2002/0100043)** in view of **Getsin et al (7,269,634)** and further in view of **Sartain et al (5,914,712)** as applied to claim 22 above, and further in view of **Russo (6,732,366)**.

As to claims 32 and 33, Lowthert as modified by Getsin and Sartain, disclose encrypting content and charging fee for playing the content, but silent to various fee payment methods, such as PPV basis and subscription basis.

However, **Russo** disclose a pay-per-play system that provides various paying method to enable a user to select a desired payment method, such as PPV basis and subscription basis (col.4, line 39-col.5, line 2 and col.6, line 46-col.7, line 35).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Russo into the system of Lowthert as modified by Getsin and Sartain to enable the user to select an affordable payment method.

Conclusion

11. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Jarman (6,889,383) discloses delivery of navigation data for playback of audio and video content.

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to **Annan Q. Shang** whose telephone number is **571-272-7355**. The examiner can normally be reached on **700am-400pm**.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **Christopher S. Kelley** can be reached on **571-272-7331**. The fax phone number for the organization where this application or proceeding is assigned is **571-273-8300**.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the **Electronic Business Center (EBC) at 866-217-9197 (toll-free)**. If you would like assistance from a **USPTO Customer Service Representative** or access to the automated information system, **call 800-786-9199 (IN USA OR CANADA) or 571-272-1000**.

/Annan Q Shang/

Primary Examiner, Art Unit 2424

Annan Q. Shnag

Application/Control Number: 10/072,471
Art Unit: 2424

Page 16